

SCHEDULE
to the
Master Agreement
(Local Currency – Single Jurisdiction)

dated as of November 24, 2008

between

The State of Illinois
(the “Counterparty”)

and

Loop Financial Products I LLC
(the “Provider”)

Part 1

TERMINATION PROVISIONS

- (a) **“Specified Entity”** means in relation to the Provider for the purpose of:

Section 5(a)(v) (Default under Specified Transaction),	None;
Section 5(a)(vi) (Cross Default),	None;
Section 5(a)(vii) (Bankruptcy),	None; and
Section 5(b)(ii) (Credit Event Upon Merger),	None;

in relation to the Counterparty for the purpose of:-

Section 5(a)(v) (Default under Specified Transaction),	None;
Section 5(a)(vi) (Cross Default),	None;
Section 5(a)(vii) (Bankruptcy),	None; and
Section 5(b)(ii) (Credit Event Upon Merger),	None.

- (b) **“Specified Transaction”** will have the meaning specified in Section 12.

- (c) The **“Cross Default”** provisions of Section 5(a)(vi) will apply to the Provider and the Counterparty provided, however, that notwithstanding the foregoing (but subject to any provision to the contrary contained in any such agreement or instrument), an Event of Default shall not occur under either (1) or (2) above if (A) the default, event of default or other similar condition or event referred to in (1) or the failure to pay referred to in (2) caused not (even in part) by the unavailability of funds but is caused solely due to a technical or administrative error which has been remedied within three Local Business Days after notice of such failure is given to the party, or (B) such party was precluded from paying, or was unable to pay, using reasonable means, through the office of the party through which it was acting for purposes of the relevant Specified Indebtedness, by reason of force majeure, act of State, illegality or impossibility.

- (d) **"Specified Indebtedness"** has the meaning specified in Section 12 of this Agreement, provided, that (i) in the case of the Counterparty, such terms shall include only general obligation bonds, and (ii) such term shall not include obligations in respect of deposits received in the ordinary course of a party's banking business.
- (e) **"Threshold Amount"** means, for purpose of the Cross Default provisions of Section 5(a)(vi), (i) in the case of the Provider, U.S. \$10,000,000 (or the equivalent in another currency, currency unit or combination thereof), (ii) with respect to the Provider's Credit Support Provider, two percent (2%) of shareholders equity (as set forth in its most recent annual or quarterly financial statements; or the equivalent in another currency, currency unit or combination thereof) and (iii) in the case of the Counterparty, U.S. \$50,000,000.
- (f) **Event of Default.**
- (i) **Bankruptcy.** Clause (6) of Section 5(a)(vii) of this Agreement is hereby amended to read in its entirety as follows:
- "(6)(A) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (or, (B) in the case of the Counterparty there shall be declared or introduced or proposed for consideration by it or by any legislative or regulatory body with competent jurisdiction over it, the existence of a state of financial emergency or similar state of financial distress in respect of it;"
- (ii) **Merger Without Assumption.** Section 5(a)(viii) is hereby amended to read in its entirety as follows:
- "(viii) Merger Without Assumption.** The party or any Credit Support Provider of such party or any applicable Specified Entity consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity (or, without limiting the foregoing, if such party is the Counterparty, an entity such as an organization, board, commission, authority, agency or body succeeds to the principal functions of, or powers and duties granted to, such party or any Credit Support Provider of such party and, at the time of such consolidation, amalgamation, merger, transfer, or succession:
- (1) the resulting, surviving, transferee or successor entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party to this Agreement; or
- (2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving, transferee or successor entity of its obligations under this Agreement."

- (g) The “**Credit Event Upon Merger**” provisions of Section 5(b)(ii) will not apply to the Provider and will not apply to the Counterparty.
- (h) The “**Automatic Early Termination**” provision of Section 6(a) will not apply to the Provider and will not apply to the Counterparty; provided, however, that with respect to a party, where the Event of Default specified in Section 5(a)(vii)(1), (3), (4), (5), (6) or to the extent analogous thereto, (8) is governed by a system of law which does not permit termination to take place after the occurrence of the relevant Event of Default, then the Automatic Early Termination provisions of Section 6(a) will apply to such party; provided, however, that an Automatic Early Termination pursuant to an Event of Default specified in Section 5(a)(vii)(4) or to the extent analogous thereto (8) shall only apply on such party’s jurisdiction of organization.
- (i) **Payments on Early Termination.** For the purpose of Section 6(e) of this Agreement:
 - (i) Market Quotation will apply;
 - (ii) The Second Method will apply; andAs modified as provided in Part 5.
- (j) **Additional Termination Event.**

The following shall constitute Additional Termination Events:

- (i) If the long-term senior unsecured debt rating of the Provider’s Credit Support Provider by Standard and Poor’s Ratings Group, a division of The McGraw-Hill Company, Inc. (“**S&P**”) or Moody’s Investors Service, Inc. (“**Moody’s**”) falls below “BBB+” or “Baa1,” respectively (a “**Downgrade Event**”), the Provider shall notify the State in writing of such Downgrade Event within five business days, provided that if CSP becomes the Provider, such notice requirement shall not apply, and the Provider shall, within ten Business Days of the Downgrade Event, either (i) provide a written guarantee of its obligations hereunder to the Counterparty from a financial institution rated at least “AA” by S&P or “Aa2” by Moody’s, or (ii) assign its right, title and interest in this Agreement and each Transaction to a financial institution acceptable to the Counterparty, such approval not to be unreasonably withheld, which shall assume the obligations of the Provider hereunder, and which has a long-term senior unsecured debt rating by S&P or Moody’s of at least “A” or “A2,” respectively. Failure of the Provider to comply with the foregoing provisions shall constitute an Additional Termination Event. For the purpose of such Additional Termination Event, the Affected Party shall be the Provider.
- (ii) If at any time the underlying rating (without regard to any third party credit enhancement) on the general obligation bonds of the Counterparty is withdrawn, suspended or rated below “BBB” by S&P or below “Baa2” by Moody’s (according to Moody’s municipal scale). For purposes of the foregoing Termination Event, the Affected Party shall be the Counterparty.

If Moody's or S&P cease to be in the ratings business and such business is not continued by a successor or assign of such agency (the "**Discontinued Agency**"), the Provider and the Counterparty shall jointly and in good faith (i) select a credit rating agency in substitution thereof and (ii) agree on the rating level issued by such substitute agency that is equivalent to the ratings specified herein of the Discontinued Agency, whereupon such substitute agency and equivalent rating shall replace the Discontinued Agency and the rating level thereof for the purposes of this Agreement.

- (k) **1992 Muni Definitions.** Reference is hereby made to the 2000 ISDA Definitions (the "**2000 Definitions**") and the 1992 ISDA U.S. Municipal Counterparty Definitions (the "**1992 Muni Definitions**") published by the International Swap Dealers Association, Inc. (collectively, the "**ISDA Definitions**"), which is hereby incorporated by reference herein.
- (l) **Inconsistency.** In the event of any inconsistency between any of the following documents, the relevant document first listed below shall govern: (a) the Confirmation; (b) the Schedule and the ISDA Credit Support Annex (as applicable); (c) the ISDA Definitions; and (d) the printed form of ISDA Master Agreement and ISDA Credit Support Annex (as applicable). In the event of any inconsistency between provisions contained in the 2000 Definitions and the 1992 Muni Definitions, the 1992 Muni Definitions shall prevail.

Part 2

AGREEMENT TO DELIVER DOCUMENTS

For the purpose of Section 4(a), each party agrees to deliver the following documents, with each document to be delivered to the Provider also to be delivered to any Credit Support Provider of such party:

<u>Party required to deliver document</u>	<u>Form/Document/Certificate</u>	<u>Date by which to be delivered</u>	<u>Covered by Sec. 3(d) Representation</u>
Both the Provider and the Counterparty	Evidence of the capacity and authority of such party to enter into this Agreement and to perform its obligations hereunder and of the authority of the person(s) executing this Agreement on behalf of such party.	Upon execution of this Agreement and, if requested, upon execution of each Confirmation.	Yes
The Counterparty	Its most recent unaudited quarterly financial statements.	Upon the request of the Provider, as soon as available.	Yes
The Counterparty	Its most recent audited consolidated annual financial statements certified by independent certified public accountants and prepared in accordance with generally accepted accounting principles.	As soon as available.	Yes
The Provider	An opinion of counsel to the Provider addressed to the Counterparty, reasonably satisfactory in form.	Upon execution of this Agreement.	No
The Provider	A duly executed copy of the Credit Support Documents specified in Part 3 of this Schedule.	Upon execution of this Agreement.	No
The Counterparty	An opinion of counsel to the Counterparty addressed to the Provider, reasonably satisfactory in form.	Upon execution of this Agreement.	No

Party required to deliver document	Form/Document/Certificate	Date by which to be delivered	Covered by Sec. 3(d) Representation
The Counterparty	A certified copy of the statutes of the Counterparty, certified by an appropriate official of the Counterparty, pursuant to which the Counterparty is authorized to enter into this Agreement and each Transaction.	Prior to the execution of this Agreement and with respect to each Transaction, prior to the execution of such Transaction.	Yes
The Counterparty	A Certificate from the Director, Governor's Office of Management and Budget of the Counterparty, or the equivalent officer thereof, to the effect that any requirements of the statutory or regulatory authority referred to above have been satisfied.	Prior to the execution of this Agreement and, with respect to each Transaction, prior to the execution of such Transaction.	Yes
The Counterparty	Certificate of incumbency and/or specimen signatures of individuals executing this Agreement, any Credit Support Document, and Confirmations.	Upon execution and delivery of this Agreement and thereafter upon request of the other party.	Yes
The Counterparty	Copy of the Covered Indenture.	Upon execution and delivery of this Agreement.	Yes

Part 3

MISCELLANEOUS

- (a) **Address for Notices.** For the purpose of Section 10(a) of this Agreement:

Address for notice or communications to the Counterparty (with a mandatory copy to CSP at the address for notices set forth below):

State of Illinois
Governor's Office of Management and Budget
108 Statehouse
Springfield, Illinois 62706

and

105 Stratton Building
Springfield, Illinois 62706

Attention: Director, Governor's Office of Management and Budget, or
Director of Debt Management

Facsimile No.: 217-524-1514
Telephone No.: 217-787-1553

Address for notice or communications to the Provider (with a mandatory copy to CSP at the address for notices set forth below):

Loop Financial Products I LLC
200 West Jackson Blvd., Suite 1600
Chicago, Illinois 60606
Attention: Financial Products Group -- Alfred Dinwiddie
Facsimile: (312) 922-7137

Address for notice or communications to CSP:

Deutsche Bank AG, New York Branch
60 Wall Street
New York, NY 1005
Attention: Municipal Derivatives Desk
Facsimile No.: (212) 797-4444

No notice or communication required or permitted to be delivered under this Agreement shall be deemed effective unless and until it is also deemed effective with respect to CSP.

- (b) **Calculation Agent.** The Calculation Agent is the Provider unless otherwise specified in a Confirmation in relation to the relevant Transaction.
- (c) **Credit Support Documents.** With respect to the Provider, the Transaction Transfer Agreement attached hereto as Exhibit A and incorporated by reference herein and the ISDA Credit Support Annex attached hereto as Exhibit D and incorporated by reference herein.
- (d) **Credit Support Provider.**

Credit Support Provider means in relation to the Counterparty: Not Applicable.

Credit Support Provider means in relation to the Provider: CSP.
- (e) **Section 11(a) is hereby replaced with the following:**

“(a) **Governing Law.** This Agreement and each Transaction entered into hereunder will be governed by, and construed in accordance with, the laws of the State of New York without reference to its choice of law doctrine, except that the capacity, power and authority of the Counterparty to enter into this Agreement and each Transaction hereunder and any issue relating to the interpretation of any proceeding security agreement or other instrument of the Counterparty shall be governed by and construed in accordance with the law of the State of Illinois.”

- (f) **Jurisdiction.** Section 11(b) is hereby amended by deleting subparagraph (i) and inserting “submits, to the fullest extent permitted by applicable law, to the non-exclusive jurisdiction of each of the courts of the State of New York, the United States District Court located in the Borough of Manhattan in New York City, the courts of the State of Illinois and the United States District Court located in the Southern District of, Illinois; and”.
- (g) **Netting of Payments.** Subparagraph (ii) of Section 2(c) will not apply to Transactions.
- (h) **“Affiliate”**, in respect of the Provider, has the meaning specified in Section 12.
- (i) **Obligations: General Conditions.** Section 2(a)(iii) is hereby amended by: (i) deleting in the second line thereof the word “or” and replacing it with a comma and (ii) inserting in the second line thereof after the words “Potential Event of Default” the words “, or Incipient Illegality.
- (j) **Powers.** Section 3(a)(ii) is hereby amended by: (i) inserting in the first line thereof after the word “power” the words “(in the case of the Counterparty, pursuant to the Authorizing Law)”; (ii) deleting in the fifth line thereof after the word “party” the word “and” and replacing it with “, it”; (iii) inserting in the fifth line thereof after the word “action” the words “and has made all necessary determinations and findings”; and (iv) adding in the fifth line thereof after the word “performance” and before the semicolon the words “, the individual(s) executing and delivering this Agreement and any other documentation (including any Credit Support Document) relating to this Agreement to which it is a party or that it is required to deliver are duly empowered and authorized to do so, and it has duly executed and delivered this Agreement and any Credit Support Document to which it is a party”.

Part 4

OTHER PROVISIONS

- (a) **[Intentionally Omitted.]**
- (b) **Eligible Contract Participant.** Section 3(a) of this Agreement is amended by (i) deleting the word “and” at the end of clause (iv); (ii) deleting the period at the end of clause (v) and inserting therein “and”; and (iii) by inserting the following additional representations:

“(vi) **Eligible Contract Participant.** Each party represents to the other party (which representations will be deemed to be repeated by each party on each date on which a Transaction is entered into) that it is an “eligible contract participant” as defined in Section 1a(12) of the U.S. Commodity Exchange Act, 7 U.S.C. Section 1a(12).”

- (c) **Immunity of Officers, Employees, Elected Officials.** No recourse shall be had for the payment of any amounts owing under this Agreement or for any claim based thereon or upon any obligation, covenant, or agreement contained in this Agreement or in any transaction, against any past, present, or future officer, employee, attorney, or agent of the Counterparty, or any officer, employee, or agent of any successor body politic, as such, either directly or through the Counterparty or any successor body politic, under any rule of law or equity, statute, or constitution, or by the enforcement of any assessment or penalty or otherwise; and all such liability of any such person in his or her individual capacity is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement.
- (d) **Transfers.** Section 7 is revised by (i) in clause (a), insert the words “or reorganization, incorporation, reincorporation, or reconstitution into or as,” immediately before the word “another”; (ii) adding the words “which consent shall not be unreasonably withheld or delayed” immediately before the word “except in the third line, and adding the following Subsections (c) and (d) after Subsection (b) thereof:

“(c) **Transfers By the Counterparty.** Notwithstanding the provisions of this Section 7, the Counterparty may transfer all of its rights and obligations under any Transaction (the “**Transferred Obligations**”) to another entity (the “**Transferee**”) provided that:

- (i) the creditworthiness of the Transferee is acceptable to the Provider, at its sole discretion;
- (ii) the Transferee and the Provider shall have executed a master agreement in form and substance satisfactory to the Provider with terms appropriate for counterparties with the Transferee’s credit rating, as determined by the Provider in good faith (including such Credit Support Documents as shall be required by the Provider and appropriate for counterparties with Transferee’s credit rating, as determined by the Provider in good faith) under which the Transferred Obligations shall be governed.
- (iii) at the time of such transfer, no Early Termination Date shall have been designated under this Agreement and no Event of Default, Potential Event of Default or Termination Date shall have occurred and be continuing under this Agreement with respect to the Counterparty;
- (iv) such transfer will not result in the violation of any law, regulation, rule, judgment, order or other legal limitation or restriction applicable to the Provider or the Counterparty.

- (v) such transfer will not result in a violation of the Provider's counterparty eligibility or credit practices or policies or exposure limitations;
 - (vi) at the time of such transfer, no event which would constitute a Termination Event, Event of Default, or Potential Event of Default with respect to the Transferee, if the Transferee were a party to this Agreement, shall have occurred; and
 - (vii) such transfer does not result in any adverse tax consequences to the Provider, including its obligations to deduct or withhold an amount with respect to any Tax from payments required to be made to the Transferee, the receipt of payments from the Transferee from which amounts with respect to any Tax may be deducted or withheld or the imposition of any tax, levy, impost, duty, charge, or fee of any nature by any government or taxing authority which would have not been imposed but for such transfer.
- (d) **Transfers by the Provider.** The Provider may transfer this Agreement, any of its interests and obligations in and under this Agreement or one or more Transactions to another of the Provider's offices, branches or Affiliates on two Business Days' prior written notice; provided, that the Credit Support Provider and the assignee agree to be bound to the terms of the Transaction Transfer Agreement."
- (e) **Absence of Certain Events.** Section 3(b) of this Agreement is hereby amended to read in its entirety as follows:
- "(b) **Absence of Certain Events.** No Event of Default or Potential Event of Default or, to its knowledge, Incipient Illegality (in the case of the Counterparty) or Termination Event with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party."
- (f) **Additional Basic Representations.** The parties agree to amend Section 3 by adding a new Section 3 (e) as follows:
- "(e) **Termination Payments.** Each party acknowledges that, pursuant to the terms of this Agreement (including, without limitation, Section 6(e) hereof), it may owe a payment to the other party upon the designation of an Early Termination Date hereunder, even in the event such Early Termination Date is the result of an Event of Default or Termination Event with respect to such other party."
- (g) **Additional Representations of the Counterparty.** The Counterparty hereby further represents to the Provider (which representations will be deemed to be repeated by Counterparty at all times until the termination of this Agreement) that:
- (i) **Non-Speculation.** This Agreement has been, and each Transaction has been and will be entered into not for purpose of speculation but solely in connection with the financing activities of the Counterparty, including without limitation, providing protection against interest rate changes on bonds of the Counterparty anticipated to be issued as authorized by law, converting interest on all or a

portion of certain of the Counterparty's debt from a fixed rate to a floating rate, or from a floating rate to a fixed rate, or from one floating rate to a different floating rate, reducing the cost of borrowing on its outstanding debt by optimizing the relative amounts of fixed and floating rate obligations on the risk of variations in its debt service costs, and by increasing the predictability of cash flow from earnings on invested funds and thereby improving the Counterparty's ability to manage its funds and revenues.

- (ii) **Legal Investment.** This Agreement and each Transaction hereunder do not constitute any kind of investment by the Counterparty that is forbidden by any constitution, charter, law, rule, regulation, government code, constituent or governing instrument, resolution, guideline, ordinance, order, writ, judgment, decree, charge, or ruling to which the Counterparty (or any of its officials in their respective capacities as such) or its property is subject.
- (iii) **Official Statements.** No official statement or similar disclosure document relating to the Counterparty's outstanding indebtedness, or future indebtedness incurred while this Agreement is in effect, will contain, as of its date, any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, relating to the Counterparty's creditworthiness.
- (iv) **Valid Purpose.** The execution and delivery by the Counterparty of this Agreement, each Confirmation and any, other documentation relating hereto, and the performance by the Counterparty of its obligations hereunder and thereunder, are lawful under the law and Constitution of the Counterparty.
- (v) **Nature of Obligations.** The obligations of the Counterparty to make payment to the Provider under this Agreement and each Transaction do not (1) constitute any kind of indebtedness of the Counterparty or (2) create any kind of lien on or security interest in any property or revenues of the Counterparty which, in either case (1) or (2), is proscribed by the Constitution or laws of the Counterparty or any judicial order or judgment.
- (h) **Consent to Recording.** Each party consents to the recording of telephone conversations between the trading, marketing and other relevant personnel of the parties, with or without the use of a warning tone, and their Affiliates in connection with this Agreement or any potential Transaction, and agrees that any such tape recordings may be submitted in evidence in any Proceedings relating to the Agreement.
- (i) Section 4 of this Agreement is hereby amended by adding the following subsection "(d)" thereto:

"(d) *Compliance with Covered Indenture.* The Counterparty will observe, perform and fulfill each provision in the Covered Indenture applicable to the Counterparty in effect on the Covered Indenture Incorporation Date, as any of those provisions may be amended supplemented or modified for purposes of this Agreement with the prior written

consent of the other party hereto (the “**Incorporated Provisions**”), with the effect that such other party hereto will have the benefit of each of the Incorporated Provisions (including without limitation, covenants, right to consent to certain actions subject to consent under the Covered Indenture and delivery of financial statements and other notices and information). In the event the Covered Indenture ceases to be in effect prior to the termination of this Agreement, the Incorporated Provisions (other than those provisions requiring payments in respect of bonds, notes, warrants or other similar instruments issued under the Covered Indenture) will remain in full force and effect for purposes of this Agreement as though set forth herein until such date on which all of the obligations of the Counterparty under this Agreement and any obligations of the Counterparty or any Credit Support Provider of the Counterparty under a Credit Support Document have been fully satisfied. The Incorporated Provisions are hereby incorporated by reference and made a part of this Agreement to the same extent as if such provisions were set forth herein. For purposes of this Agreement, the Incorporated Provisions shall be construed as though (i) all references therein to any party making loans, extensions of credit or financial accommodations thereunder or commitments therefor (the “**Financings**”) were to the other party hereto and (ii) to the extent that such Incorporated Provisions are conditioned on or relate to the existence of such Financings or the Counterparty having any obligations in connection therewith, all references to such Financings or obligations were to the obligations of the Counterparty under this Agreement. Any amendment, supplement, modification or waiver of any of the Incorporated Provisions without the prior written consent of the other party hereto and in the case of consent of the Provider, consent of CSP as well, shall have no force and effect with respect to this Agreement. Any amendment, supplement or modification for which such consent is obtained shall be part of the Incorporated Provisions for purposes of this Agreement.”

(j) **Agreements.**

- (i) The introductory clause of Section 4 of this Agreement is hereby amended to read in its entirety as follows:

“Each party agrees with the other (or, in the case of Section 4(d) and (e), the Counterparty agrees with the other party) that, so long as either party has or may have any obligation under this Agreement or under any Credit Support Document to which it is a party:”

(k) **Additional Definitions.** As used in this Schedule, the following terms shall have the following meanings:

“**Authorizing Law**” means the General Bond Obligation Act of the State of Illinois, as amended.

“**Covered Indenture**” means the Indenture of Trust, dated as of October 1, 2003 by and between the Counterparty and Bank One, National Association, as Trustee, amended and supplemented prior to the date hereof in accordance with the terms thereof and as

amended and supplemented following the date hereof in accordance with the terms hereof and thereof.

“Covered Indenture Incorporation Date” means the date of this Agreement.

“CSP” means Deutsche Bank AG, New York Branch.

“Incipient Illegality” means the enactment by any legislative body with competent jurisdiction over the Counterparty of legislation which, if adopted as law, would render unlawful (i) the performance by the Counterparty of any absolute or contingent obligation to make a payment or delivery or to receive a payment or delivery in respect of a Transaction or the compliance by the Counterparty with any other material provision of this Agreement relating to such Transaction or (ii) the performance by the Counterparty or a Specified Entity of the Counterparty of any contingent or other obligation which the Counterparty (or such Specified Entity) has under any Credit Support Document relating to such Transaction.

- (l) Section 4 of this Agreement is hereby amended by adding the following subsections “(d)” and “(e)” thereto:

“(d) Notice of Incipient Illegality. If an Incipient Illegality occurs, the Counterparty will, promptly upon becoming aware of it, notify the Provider and CSP, specifying the nature of that Incipient Illegality and will also give such other information about that Incipient Illegality at the other party may require.”

“(e) Security and source of Payment of the Counterparty’s Obligations. The full faith and credit and taxing power of the Counterparty is hereby irrevocably pledged to the punctual payment of all regularly scheduled payments to be made by the Counterparty under this Agreement and each Transaction hereunder; such obligations shall constitute direct and general obligations of the Counterparty. The obligation of the Counterparty to make payment to the Provider upon the early termination of any Transaction hereunder constitutes a general contractual obligation of the Counterparty payable from any legally available source. In addition, the Counterparty agrees that its obligation to make payments hereunder is, and until the termination of this Agreement pursuant to the terms hereof shall remain, a valid obligation of the Counterparty. The Counterparty’s obligation to make regularly scheduled payments hereunder shall be payable from the Counterparty’s General Obligation Bond Retirement and Interest Fund. To the extent that sufficient moneys are not available in the Counterparty’s General Obligation Bond Retirement and Interest Fund for payments under this Agreement, the Treasurer and the Comptroller of the Counterparty of Illinois are obligated pursuant to the Authorizing Law to transfer sufficient moneys from the Counterparty’s General Revenue Fund to the Counterparty’s General Obligation Bond Retirement and Interest Fund for such purpose. If sufficient moneys are not available in the Counterparty’s General Revenue Fund, then the Treasurer and the Comptroller of the Counterparty of Illinois are obligated pursuant to the Authorizing Law to transfer sufficient moneys from any other legally available revenues and funds of the Counterparty to the Counterparty’s General Obligation Bond Retirement and Interest Fund for such purpose. Furthermore, the Counterparty

acknowledges and agrees that this Agreement shall constitute a "Swap Agreement" and each Transaction hereunder shall constitute a "Swap Transaction," each as defined in Section 1.01 of the Covered Indenture, and as such this Agreement and each Transaction hereunder are entitled to the rights and benefits of Swap Agreements and Swap Transactions under the Covered Indenture."

- (m) **Delivery of Confirmations.** For each Transaction entered into hereunder, Provider shall promptly send to the Counterparty a Confirmation via facsimile transmission. The Counterparty agrees to respond to such Confirmation within two (2) Local Business Days, either confirming agreement thereto or requesting a correction of any error(s) contained therein. Failure by Provider to send a Confirmation or of the Provider to respond within such period shall not affect the validity or enforceability of such Transaction. Absent manifest error, there shall be a presumption that the terms contained in such Confirmation are the terms of the Transaction.
- (n) **Immunity.** The Illinois Lawsuit Immunity Act, as amended, provides that, except as provided in the Illinois Public Labor Relations Act, as amended, or the Court of Claims Act, as amended, the Counterparty cannot be made a defendant or party in any court. Individual agents and state entities do not have the ability to waive the Counterparty's immunity. In order to waive immunity, the General Assembly has to, by way of legislation, clearly and unequivocally intend to consent to the suit. The Counterparty makes no representation regarding what actions the General Assembly may take in the future regarding sovereign immunity.
- (o) **Claims.** The Court of Claims Act gives the Court of Claims jurisdiction, with a few exceptions, over all claims against the Counterparty founded upon, among other things, any law of the State of Illinois, contract entered into with the State of Illinois, or tort. The Court of Claims Act provides the procedure for asserting claims against the Counterparty. Under current Illinois law, Provider would be entitled to seek redress of any dispute arising from this Agreement or any Transaction hereunder in the Court of Claims. Upon a proper filing by Provider in the Court of Claims in respect to this Agreement or any Transaction hereunder, the Counterparty agrees that it will not raise any defense of sovereign immunity to which it might otherwise be entitled.
- (p) **Relationship Between Parties.** Each party will be deemed to represent to the other party, on the date on which it enters into a Transaction that (absent a written agreement between the parties and, if applicable, any Credit Support Provider of any party that expressly imposes affirmative obligations to the contrary for that Transaction):-
 - (i) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into that Transaction and as to whether that Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party or any Credit Support Provider of such party, as applicable, as investment advice or as a recommendation to enter into that Transaction; it being understood that information and explanations related to the terms and conditions of a Transaction shall not be considered

investment advice or a recommendation to enter into that Transaction. No communication (written or oral) received from the other party or any Credit Support Provider of such party, as applicable, shall be deemed to be an assurance or guarantee as to the expected results of that Transaction.

- (ii) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of that Transaction. It is also capable of assuming, and assumes, the risks of that Transaction.
 - (iii) **Status of Parties.** The other party and any Credit Support Provider of such party, as applicable, are not acting as a fiduciary for or an adviser to it in respect of that Transaction.
 - (iv) **CSP.** The Counterparty hereby represents that the Counterparty has engaged in no discussions or negotiations with CSP in connection with this Agreement.
- (q) **Bankruptcy Code.** It is the express intention of the Provider, the Counterparty and each Credit Support Provider of any party that (i) this Agreement and all Transactions hereunder, the Transaction Transfer Agreement (including, without limitation, the option granted therein), a Transfer Swap Agreement that becomes effective pursuant thereto and all Transactions thereunder, shall collectively constitute a single agreement and shall each constitute a “forward contract” as defined in section 101(25) of the United States Bankruptcy Code (Title 11 of the United States Code) (the “Bankruptcy Code”), a “swap agreement” as defined in section 101(53B) of the Bankruptcy Code, and/or a “securities contract” as defined in section 741(7) of the Bankruptcy Code, and that the parties hereto and thereto shall be entitled to the exemptions and protections afforded by, among other sections, sections 362(b)(6), 362(b)(17), 555, 556, and 560 of the Bankruptcy Code and (ii) each of the parties constitutes a “swap participant” under section 101(53C) of the Bankruptcy Code, in each case subject to and entitled to the exemptions and protections afforded by, among other things, sections 362(b)(17), 546(g) (in respect of swap agreements), 548(d) and 560 of the Bankruptcy Code.
- (r) **Transaction Transfer Agreement.** Notwithstanding anything contained herein to the contrary, CSP shall have no obligations under this Agreement (other than in accordance with Part 4(l) below, if applicable) and shall only have such obligations as are expressly provided for in the Transaction Transfer Agreement. The parties hereto agree that CSP shall be an express third party beneficiary of this Agreement, including but not limited to all of the representations, covenants, agreements and other obligations of the parties to this Agreement. Additionally, notwithstanding anything contained herein to the contrary, the parties hereby agree that in the event CSP is replaced as the “Credit Support Provider” by a Substitute Credit Support Provider (as defined in the Transaction Transfer Agreement) under the Transaction Transfer Agreement in accordance with the terms thereof, then the Substitute Credit Support Provider shall be deemed to be the Credit Support Provider hereunder and all references herein to CSP shall be deemed to be references to such Substitute Credit Support Provider.

(s) **Optional Assignment.**

- (i) Notwithstanding Section 7 of this Agreement, the Counterparty and the Provider each hereby acknowledges and agrees that (A) provided that the Provider is not a Defaulting Party or the sole Affected Party, the Provider shall have at any time, including, but not limited to, following the occurrence of an Event of Default where the Counterparty is the Defaulting Party or a Termination Event where the Counterparty is the Affected Party, the right to transfer and assign all of the Provider's rights, interests and obligations in, to and under this Agreement and all Transactions hereunder to CSP by written notice to the Counterparty and CSP specifying the effective date (such effective date, the "Assignment Date") of such transfer and assignment (and such transfer and assignment shall automatically occur as of the Assignment Date without the need for further action by any party), and (B) CSP shall have the right, at any time and for any reason in its sole discretion, to request that the Provider transfer and assign all of the Provider's rights, interests and obligations in, to and under this Agreement and all Transactions hereunder to CSP by written notice to the Counterparty and the Provider specifying the Assignment Date of such transfer and assignment (and such transfer and assignment shall automatically occur as of the Assignment Date without the need for further action by any party).
- (ii) Upon the Assignment Date of any transfer and assignment specified in accordance with Part 4(l) above, (A) the Provider shall be deemed to have transferred and assigned all of its rights, interests and obligations in, to and under this Agreement and all Transactions hereunder to CSP, (B) CSP shall have all the rights that the Provider would have under this Agreement and all Transactions hereunder, (C) CSP shall be obligated to perform all existing and unperformed obligations of the Provider under this Agreement and all Transactions hereunder, including those obligations arising before the Assignment Date but not yet performed, (D) the Counterparty shall remain obligated to perform all of its existing and unperformed obligations under this Agreement and all Transactions hereunder, including those obligations arising before the Assignment Date but not yet performed, (E) the Provider and the Counterparty shall be released and discharged from all obligations to each other with respect to this Agreement and all Transactions hereunder, and their respective rights and obligations hereunder and thereunder shall be cancelled with no payments owed by either party to the other, (F) on and after the Assignment Date, the provisions set forth in Exhibit B to the Transaction Transfer Agreement shall be applicable to this Agreement and all Transactions hereunder and (G) the Transaction Transfer Agreement shall simultaneously automatically terminate without the need for further action by any party thereto. The Counterparty, the Provider and CSP hereby agree to execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered such further instruments and take such further action as may be reasonably necessary to effectuate the intention, performance and provisions of this Part 4(l).

Part 5

CREDIT SUPPORT PROVISIONS


- (a) In the event that a Settlement Amount would be payable by the Provider to the Counterparty, the Counterparty agrees that (A) the termination of this Agreement concurrently with the entry by CSP into a Transfer Transaction (as defined in Paragraph 2 of the Transaction Transfer Agreement) with the Counterparty in accordance with Paragraph 2 of the Transaction Transfer Agreement, (B) the agreement by the Provider to pay such Settlement Amount to CSP in consideration of CSP entering into such Transfer Transaction (and the Provider hereby agrees to pay such Settlement Amount); provided, that the Transfer Transaction shall be effective irrespective of the nonpayment of such Settlement Amount by the Provider to CSP, and (C) the payment by CSP to the Counterparty of any net Unpaid Amounts owing to the Counterparty (which CSP agrees to pay pursuant to the Transaction Transfer Agreement), shall constitute full satisfaction of any payment otherwise owing from the Provider to the Counterparty pursuant to Section 6(e), and that the Provider shall be fully discharged from any and all obligations under Section 6(e). In the event that any net Unpaid Amounts would be owing by the Counterparty to the Provider (such that clause (C) of the preceding sentence would not be applicable), the Provider hereby assigns to CSP, absolutely and not for purposes of security, all of the Provider's right to receive any such net Unpaid Amounts from the Counterparty, and the Provider agrees that only CSP shall be entitled to receive any such net Unpaid Amounts from the Counterparty, and that the Provider shall have no recourse to the Counterparty with respect thereto.
- (b) In the event that a Settlement Amount would be payable by the Counterparty to the Provider, the Provider agrees that (i) the termination of this Agreement concurrently with the entry by CSP into a Transfer Transaction with the Counterparty in accordance with Paragraph 2 of the Transaction Transfer Agreement, (ii) the agreement by CSP to pay such Settlement Amount to the Counterparty in consideration of the Counterparty entering into such Transfer Transaction (which CSP agrees to pay pursuant to the Transaction Transfer Agreement), (iii) the absolute assignment by the Counterparty to the Provider of the Counterparty's right to receive such Settlement Amount from CSP, and (iv) the payment by CSP to the Counterparty of any net Unpaid Amounts owing to the Counterparty (which CSP agrees to pay pursuant to the Transaction Transfer Agreement) shall constitute full satisfaction of any payment otherwise owing from the Counterparty to the Provider pursuant to Section 6(e), and that the Counterparty shall be fully discharged from any and all obligations under Section 6(e). In accordance with clause (iii) of the preceding sentence, the Counterparty hereby assigns to the Provider, absolutely and not for purposes of security, all of the Counterparty's right to receive any such Settlement Amount from CSP pursuant to clause (ii) of the preceding sentence, and the Provider agrees that only CSP shall be obligated to pay such Settlement Amount to the Provider, and that the Provider shall have no recourse to the Counterparty with respect thereto. In the event that any net Unpaid Amounts would be owing by the Counterparty to the Provider (such that clause (iv) of the first sentence of this Part 5(b) would not be applicable), the Provider hereby assigns to CSP, absolutely and not for purposes of security, all of the Provider's right to receive any such net Unpaid Amounts

from the Counterparty, and the Provider agrees that only CSP shall be entitled to receive any such net Unpaid Amounts from the Counterparty, and that the Provider shall have no recourse to the Counterparty with respect thereto.

- (c) In the event that a Settlement Amount is to be determined, the parties agree that such Settlement Amount shall be determined by CSP on behalf of, and for the benefit of, the Non-defaulting Party or the party which is not the Affected Party (as applicable), and that such Settlement Amount shall be conclusive. For purposes of determining such Settlement Amount, CSP shall not be obligated to obtain quotations from more than one Reference Market-maker, which Reference Market-maker may be CSP. Notwithstanding the foregoing, if an Event of Default or Termination Event shall have occurred with respect to which the Provider is the Defaulting Party or an Affected Party, and such Event of Default or Termination Event arises solely by reason of an event or condition that is directly attributable to the CSP or the Credit Support Document, then the Counterparty, and not CSP, shall determine such Settlement Amount.

IN WITNESS WHEREOF, the parties have executed this Schedule by their duly authorized officers as of the date hereof.

THE STATE OF ILLINOIS

By: 
Name: Ginger Ostro
Title: Director, Governor's Office of
Management and Budget

LOOP FINANCIAL PRODUCTS I LLC

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties have executed this Schedule by their duly authorized officers as of the date hereof.

THE STATE OF ILLINOIS

By: _____
Name:
Title:

LOOP FINANCIAL PRODUCTS I LLC

By: Alfred Dinwiddie
Name: Alfred Dinwiddie
Title: Authorized Signatory

EXHIBIT A

Transaction Transfer Agreement